

The
**CREDIT
UNION**

Way to Economic Betterment

The Bridge



April 1948

First Sale by the Canadian Branch of Cuna Supply Cooperative (See page 15)

official publication

Credit Union National Association

8972 New Members

Reported in First Returns

THE 5TH ANNUAL MEMBERSHIP DRIVE surpassed the first returns of the previous drives by 5065. Nebraska went over its entire quota the first month with 101%. Wisconsin and Texas bring in the top numbers and tie for percent of quota. Returns are as follows:

	Members Reported	Quota	Per cent of Quota
Nebraska	405	400	101%
South Dakota	102	150	68%
Texas	2,258	3,400	66%
Wisconsin	2,451	3,700	66%
Connecticut	1,195	1,900	63%
Kentucky	510	1,000	51%
Oklahoma	237	700	34%
West Virginia	150	500	30%
Missouri	914	3,500	26%
North Dakota	150	600	25%
New Jersey	300	1,800	17%
	8,672	17,020	

The last drive however went over the 100,000 new member goal. We have a long way to go. Sustained effort in asking every potential member to join will put us over.

Be An Organizer

The organization of a new credit union will also add new members. How about a visit to a neighbor, pastor, union, school teacher, or a nearby industry.

How Far Can We Jump

The Noda Federal Credit Union (story in THE BRIDGE for March, page 4) developed quite a jump. They first decided the membership drive was a good idea and went all out to make their plan work—and they attained considerable success.

We can do far more than we think we can. We let complexes hamper our effort, but once we decide it is important and must be done—WE DO IT.

Any New Members Today?

Is it worth while for credit unions to seek to increase membership under present conditions?

This is the most logical time for a credit union to endeavor to increase its membership. More people are employed today which results in increased potential membership.

Since it is our purpose to acquaint the mass of people with credit union service, this presents an ideal opportunity for credit unions to perform this service for the movement. The workers will have knowledge of the credit union, and the movement will have an added convert.

How rapidly should credit union membership increase?

Credit union membership should be increased as rapidly as possible. We

are all convinced the credit union is beneficial to its members. Therefore, we should expand membership rapidly.

What immediate benefits can be derived through increasing credit union membership?

A percentage of all new members inevitably are in need of credit. Increased membership will mean an increase of loans outstanding. This is an immediate and valuable benefit. Increases in membership also bring an increase in prestige and power.

How should a credit union approach a campaign to increase membership?

The Board of Directors should read carefully the membership clause in the credit union's by-laws. If this clause provides for membership by members of the immediate family, the potential membership of the credit union is greatly increased. Next determine how many persons are eligible to membership and finally carry on a campaign to persuade all non-members to affiliate. This campaign can best be conducted in the average credit union by personal contact. The members of the Board of Directors should be salesmen of the credit union and should constitute a membership committee.

What is the purpose of the campaign to obtain new credit union members which CUNA is sponsoring?

In sponsoring the present campaign for new members, it is the purpose of the Credit Union National Association to (1) revitalize the urge to render credit union service to the maximum number of people, (2) recreate a progressive attitude toward our more profound problems, and (3) to reawaken our senses to the potential power of the credit union movement.

—GEORGIA CREDIT UNION NEWS.

Let Us Remember

The world's to me a mysterious place,
The many barriers we have to fend,
Although there's one we would avoid,
Because today, we've lost a Friend.

He was a friend to all who knew him,
Your many cares and woes he'd mend,
A smile, a laugh, a "Hello there,"
But now, today, we've lost a Friend.

He was always such a busy man, but
Not too busy that he could lend
An ear to you and me, and all,
It sorrows us to say, "Good-bye
Friend."

The road is long and tedious too,
But still, we our way must wend,
His dear ones, he has left alone,
God made His choice, and took our
Friend.

A tribute to Clayt Stevenson, President of S. W. & A. Credit Union.

A man that would see a good future must provide it.

Bridge

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BRIDGE

This Day in Paradise

By John L. Quinlan

CHANNING Sanders, president of the City Credit Union, relaxed his lank frame into a chair in the company cafeteria, casually glancing at the steaming cup of coffee on the small table before him. While gently tapping his pipe on an ash tray preparatory to stoking it, a voice from behind him asked.

"How's the credit union, Chan?"

"Oh, hello, Joe," Chan greeted Joe Steck as he approached. "Sit down. And if you're serious, you're credit union is still growing, as it has continued to grow since it was organized twelve years ago."

Joe sat down across from Sanders. "Sure, I'm serious, Chan. But I guess I'm not as serious about it as you are. How long have you been working with the credit union?"

"About eight years."

"That's a long time."

"Not too long, Joe. One of our directors was a charter member and has been an active worker since the credit union began."

"There must be something attractive about it. Do you make much of a salary?"

Chan laughed softly. "No. Offhand, I can't think of any credit union workers that are making anything like a handsome income anywhere in the credit union movement. You know I work full time here for the company, as do the rest of your credit union officers."

"You don't get any compensation as president?"

"Not of the monetary variety."

"Why do you devote so much time to it then?"

"Lots of people have hobbies. Credit union work is mine."

"But Chan, a hobby is something you can work on when you want to—work on it today, leave it alone for a while. You can't do that with your credit union work. It confines you, makes many more demands than a hobby."

"Well, maybe so."

"There must be something else, because there must be a multitude like you in the many credit unions in existence. Seriously, I would like to know what it is."

Fixing Joe with a steady gaze, Chan nudged a load of tobacco into his pipe from his pouch. He flipped a flame from his pocket lighter onto the mellow tobacco and drew deeply.

"Joe, I really believe you want to

know. I don't make a habit of baring my soul to everyone, but I'll try to explain it to you."

"I wish you would," Joe encouraged.

"It's because of the things I hear and see."

"What things?"

"Before I begin, let me warn you that I am an idealist; I am very apt to glamorize facts. So, as a setting I would like to tell you about the most promising words, the most beautiful words that ever fell upon a human ear. Paradoxically enough they were uttered on the grim hill of Calvary the day of the Crucifixion. St. Dismas, the good thief, was the recipient of those words which crescendoed down the corridors of time as pealing paens of superlative bliss. Those words, addressed to him by Christ, as they hung side by side crucified, were, 'This day thou shalt be with me in paradise.'"

"Imagine, if you can, the glowing joy that must have illuminated the face of Dismas, the expression of consummate delight, the most perfect joy that ever existed on this great clod of earth. So, as a credit union worker, like a seeker after the Holy Grail, I too am looking for words of joy, for expressions of astounded good fortune that light up the faces of common men."

"I don't ever hope to hear any words like those or see anything comparable to the joyous expression of St. Dismas, but I think I've heard and seen the second best and I think I will again."

"Tell me about some instances," urged Joe.

"I'll tell you just one time I heard and saw it. Cora, one of our old colored janitresses, came into our office one day and asked me if she could borrow five dollars for a pair of shoes."

"I got out her ledger sheet and told her, 'Cora, you only owe us five dollars now, and we'll have a payroll deduction check in within a few days, and that five dollars will be paid off. You certainly can borrow another \$5 with a savings account like this.'"

"She looked at me mystified, 'Mistah, I don't know what you're talking about. I ain't got any savin's. I jist borrow here.'"

"Well, Cora, you have a little over \$67 in savings."

"Mistah, I couldn't have."

"I explained then that she had become a member over two years ago, made a deposit on a share and borrowed \$50. On subsequent occasions



John L. Quinlan, editor of the Texas Credit Union League BULLETIN.

she had renewed the loan. Meanwhile she had an \$8 deduction monthly, \$5 of which was applied to the loan, a little for interest and the remainder for savings.

"When she understood she was speechless and tears welled up in her eyes. 'Mistah, this is the most wonderful thing that ever happened to me. I guess you explained it when I joined up, but I didn't understand it. Why, you know I never saved any money before in my life.'"

"Joe, I can't tell you—I lack the ability to describe the tones of joy in her voice, or the expression of beauty on that dark, lined face, but I'll never forget. I may never have a lot of worldly riches, but I have a golden treasury of memories that shine with a dazzling brilliance under the polish of reminiscence."

With a rapt look upon his features, Joe absently picked up his spoon from his saucer and clicked it against the coffee cup.

"Well,—uh—Chan—uh—I don't know what to say. You have completely lifted me out of this little commonplace cafeteria and made me see things I hadn't expected. Have others told you how they appreciate the efforts of credit union workers?"

"Some. Mostly they are reticent, but I can see it in their faces, interpret it in their actions."

"Then, your credit union work must be inspiring?"

"More than that. For me it satiates some inner longing. I like to think that credit union workers are touched with a little of the glory of the minister, the priest or the rabbi, who have formally dedicated themselves to complete service to mankind. To me the

(Continued on page 22)

Consumer Credit Helps People

By Thomas W. Doig

(A talk given at the Ohio State University Conference on consumer credit)

CREDIT is as old as human relations. All of us enter this world as debtors. We are in debt to our parents for life itself. We are in debt to our ancestors for our religion, our government, our social structure and our economic system. Most of us are not self-sustaining until we reach age twenty. During this early period of life we are consumer debtors. This type of consumer credit is as ancient as humanity. However, the type of consumer credit we speak of here; that form of consumer credit which makes it possible for the average man to provide proper medical services and proper educational facilities for his family—the type of consumer credit which makes it possible for him to utilize the automobile, the mechanical refrigerator and to generally increase his standard of living, is something new in the world.

Revolutionary Principle

An American Commission studied conditions in Europe in 1913. Ralph Metcalf and Clark G. Black of Washington State were members of this Commission. They had this to say in their report to the State Legislature in 1915:

"The business of the world is done on credit; money is used only as a basis for credit. From the earliest records, when kings pawned their crowns and crown jewels, the foundation for credit has been security, actual, tangible security, property, something that could be sold up if the debtor did not pay. Hence a man's credit was proportionate to his property and the poor man, the man who needed credit most, who could not better his position in the world without it, could not get it. This was true from the dawn of civilization until sixty years ago (about 1850), when Father Raiffeisen, as he is affectionately called in all Germany, the burgomaster of a little village, declared and demonstrated a new and revolutionary principle of credit: That character, moral worth, industry, sobriety, thrift are security and entitled to credit and better security than property because they cannot be sold up; they do not have to be, the sober, industrious, honest man pays."

One hundred years ago consumer credit, insofar as it concerned the majority of people, was very limited and consumer cash credit was non-existent. There was good reason for this.



Thomas W. Doig, Managing Director of the Credit Union National Association

Europe was discarding the Feudal system and entering the industrial age. Both cash and credit began to be absolute essentials to the people when they were employed in factories for wages. Our present era of mass production and mass distribution is inherently dependent upon a further extension of consumer credit for all members of society. During the past hundred years we have learned that the standard of living can be increased tremendously and safely for the great majority of people by utilizing consumer credit. We have learned that our entire economic structure, as presently existent, is dependent upon the use of consumer credit. Without consumer credit our mass-production lines would cease to function, huge investments would shrivel and disappear and millions of individuals would be deprived of a means of livelihood.

Removing Stigma

In the past a stigma attached to consumer credit. Credit was deemed advisable for purposes of production, for purposes of trade promotion, for purposes of exploration and for purposes of war to destroy life; but consumer credit for the purpose of sustaining life was considered disgraceful. This because it was the thought of the lender that production, or trade, or exploration, or even a war to destroy life would bring into the hands of the borrower possessions with which he could repay his debt. Our concepts are changing. Surely we in America have learned that loans to promote war, which destroys both life and property,

are sometimes harmful and unsound loans insofar as society as a whole is concerned. We have learned, and are learning that loans for purposes of production, promotion of trade, exploration and particularly war, are not always sound loans. We have learned that the purpose of the loan is important, but repayment depends upon the character of the borrower and not on the purpose of the loan. We have learned that loans for purposes of consumption, loans to help sustain life and improve life stimulate production, trade and exploration, and are beneficial to society as a whole.

Proof of Ability and Character

This year the credit unions are celebrating their centennial. One hundred years ago, through the formation of the first credit unions, a system was introduced which, properly extended, may make consumer cash credit available to a vast majority of the people. During these one hundred years we have learned that consumer credit is not only respectable but highly desirable.

One hundred years ago the great majority of the people had access to credit only through the usurer. The rate of interest charged by the usurer for the use of his money was so exorbitant that repayment became a practical impossibility. The borrower found himself enslaved for life. This business was based upon the lender's greed and not upon the people's need. The lender based his high interest rate on the fallacious theory that people are inherently dishonest and would not repay their loans. His fear caused him to charge excessive rates and these rates rendered the loan practically impossible of repayment.

When I was in Germany in 1933 there were fifty-three thousand Raiffeisen Banks in operation. During the eighty-years of their operation only a few had liquidated, and no liquidation had caused an individual member to suffer loss. Losses suffered by these societies because of non-repayment of loans made to individuals were negligible. We have in the United States more than nine thousand credit unions which have approximately four million members. The assets of these organizations approximate seven hundred million dollars. This money is constantly used in making consumer loans to members and over a period of more than thirty years of operation losses caused by failure to repay loans

have aggregated less than one-half of one percent. Surely we have demonstrated that the average man is honest if given half a chance to be honest.

Labor Saving Benefits

Many services must be made available at extremely low cost if a majority of the people are to benefit from the tremendous number of labor-saving devices invented during the past hundred years. As an example let us examine the case of the washing machine. I believe you will all agree with me that the washing machine is a splendid labor-saving-mechanism. In order for people to benefit from the use of the electric washing-machine it is necessary that they have first water and second electrical power. These two services must first be furnished and at low cost, then the electric washing machine may be utilized. Given these two basic services the washing machine can be used by a majority of the people if it can be produced at a price the people can afford to pay. Let us assume that the machine can be mass-produced at a very reasonable price—it still would not be available if the prospective buyer were compelled to travel a great distance to effectuate a purchase. Some means of low cost distribution must be worked out. Now let us picture a community well supplied with water and electric power, and let us suppose that a manufacturer of washing machines has found the means to produce these machines and deliver them at the home of the consumer at a cost of \$150 each if fifty percent of the residents agree to purchase. The sales man visits the community but finds that only ten percent of the people have \$150, and only half of these desire to spend their money for this purpose. The whole plan falls through because the price of the machine is based on mass-production of the machine for at least fifty percent of the population. The residents of the community may be well supplied with water and electric power and may find a machine which can be purchased and delivered at extremely low cost—all this is vain if the residents of the community do not have available cash, or low cost consumer credit. Low cost consumer credit would solve the problem nicely, but it must be low cost. Consumer credit is only one of the many services necessary to make this labor-saving device available, and the cost of that credit must be commensurate with that of the other services. If you and I can furnish abundant low-cost consumer credit to the majority of the people we will have made our contribution to human well-being. If we can not some other agency will.

Not for Greed But Human Need

To sum up, then, we find that the contribution of consumer credit to the economic training of the individual is partially as follows:

1. That the purpose of a loan is important but the real security for a loan is character.
 2. That consumer credit is an absolute necessity to our present economy.
 3. That consumer credit is not only respectable but highly desirable.
 4. That consumer credit stimulates business and produces employment.
 5. That the average man is honest if given a proper chance to be honest.
 6. That consumer credit properly extended is a safe investment.
 7. That consumer credit properly administered can improve the standard of living of a large majority of the people.
 8. That a business actuated by greed may fail while the same business actuated by a desire to fill a human need in humane manner will succeed.
- Through taxation we may provide an excellent system of highways reaching all parts of the United States, but if the people lack low-cost consumer credit to finance the purchase of an automobile it availeth nothing. Through diligent and careful effort we may produce extremely low-cost gasoline with which to power automobiles, but if we fail to furnish low-cost consumer credit we have accomplished nothing. Through mass-production and wide-spread economical distribution we may place on the market most efficient and excellent automobiles at a price which is economically sound, but if we fail to provide low-cost consumer credit to finance the purchase of these automobiles, we have profited nothing.

Income Geared to Expenditures

Low-cost consumer credit provides the tremendous purchasing power which makes mass-production possible. Low-cost consumer credit through providing purchasing power establishes a demand for labor which produces additional wealth. Low-cost consumer credit properly utilized makes available to a majority of the people the necessities as well as some of the luxuries of life. Low-cost consumer credit lifts the standard of living of the great majority of people and makes the world a better place in which to live. These facts we have learned through one hundred years experience with consumer credit.

Help the Committees

ANY RESOLUTION for presentation to the National Board Meeting of the Credit Union National Association can

be included with other reports if received by April 15. Early reports will aid the proceedings of the National meeting.

S 2225 Introduced

Senate Committee Favorable

An act to transfer the Federal Credit Union Section to the Federal Security Agency was introduced by United States Senator Raymond E. Baldwin of Connecticut. The bill referred to the Senate Committee on Banking and Currency, has been favorably reported on March 19.

The Bill was initiated by the Federal supervision committee of the Credit Union National Association. The Comptroller General of the United States reported the Credit Union Section as an extraneous function in his 1945 report on the Federal Deposit Insurance Corporation.

The Federal Credit Union Section was transferred to the Federal Deposit Insurance Corporation by Executive Order when the Farm Credit Administration was about to leave Washington in March 1942.

After surveying the agencies of the federal government, it was agreed that the activities of the Federal Security Agency best fitted the humanitarian interests of credit unions. The pending bill has not met with any opposition thus far. Your contact with the Senators from your state supporting this and all credit legislation is important.

Operating Aids

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What About It?

By C. F. Eikel, Jr.

Answers to your credit union questions by Cuna assistant managing director

Witness Signature on Note

QUESTION (FROM LOUISIANA):

As you know all of our credit union standard form notes have a space provided on the bottom left side of the form which calls for a witness. Personally I have never used it and do not think it is necessary. Perhaps no treasurer had given it any consideration, but recently a point, which is purely a technical point of course, has arisen. A certain credit union wishes to turn its notes over to another treasurer and a few members of the board argue that the notes are illegal due to the fact that none of the notes are witnessed as stated on the note, making it a liable case against its former treasurer. Now I dare say there are very few treasurers who fill in that space, if any.

ANSWER:

The only real reason for providing space for a witness opposite the name of the maker or co-makers on a note is so that no one could deny in court their signature. I have never heard of a case in a credit union where the borrower denied his signature on a note. However, it is there for the safety and protection of the credit union merely as an added protection. It is not required to be used and if not used certainly does not make the note illegal. Furthermore, if the witness is not used on the note, it does not make the treasurer of the credit union liable for the payment of the note.

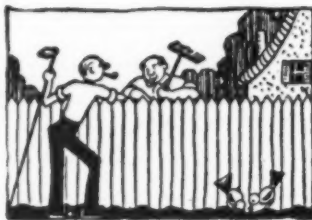
Undesirable Share Account

QUESTION (FROM INDIANA):

What procedure, if any, is available to the Federal credit union whereby an undesirable share account may be closed?

ANSWER:

The procedure of closing out an undesirable account is answered in Section 14 of the Federal Credit Union Act headed "Expulsion and Withdrawal." The Act says that a member may be expelled by a two-thirds vote of the members of a Federal credit union present at a special meeting called for this purpose, but only after an opportunity has been given him to be heard. Withdrawal or expulsion of a member shall not operate



You are invited to submit your questions on any credit union problems to this department. You are also welcome to contribute your own ideas on the answers printed here. What's on your mind?

to relieve him of any liability to the Federal credit union. The procedure for handling this matter is covered in your by-laws under Article 16, Section 7.

It would seem to me that you would certainly have to have a very good case against one of your members to classify him in the category of an undesirable member. It has always been my feeling that no individual is a hopeless case. To be sure, it becomes trying at times, to get some of our members to do the right thing for themselves, their families and their fellow workers, but whatever efforts are expended in this direction I believe are well worth the time. I recall very vividly the case of a credit union I was formerly treasurer of many years ago. To this day I regret the action that was taken because we felt that the person who applied for membership was an undesirable. We made a great mistake. That person today holds a very responsible position with the same company. Who are we to judge? I hope very much that you will try to help this undesirable case to get him to the desirable class, rather than to take the chance of possibly wrecking that individual and his reputation for the rest of his days.

Interest Rates

QUESTION (FROM MARYLAND):

Several members of the Board of Directors of our credit union are in favor of reducing our interest rate for loans from 1% per month on the unpaid balance to $\frac{3}{4}$ of 1% or even as low as $\frac{1}{2}$ of 1% because they feel it is necessary for us to meet outside competition. Our credit union, as you

know, uses CUNA Mutual loan protection insurance. In the opinion of the remaining board members which, incidentally, is a majority, it is felt that the 1% per month interest rate is reasonable, especially in view of the fact that we give the borrower and his family and co-makers the added protection of insurance in the event of death or disability. The argument against the 1% per month rate is that we are losing loans for the purchase of automobiles. It is contended that many of our people can borrow more cheaply for automobile loans from the bank or other agencies. We would like to have your opinion and recommendations.

ANSWER:

I am going to side with you and the members of your Board of Directors who agree that the 1% per month interest rate charged for loans is reasonable. In fact, this is probably the lowest rate of interest that any one of your members could get for personal credit or even for automobile loans regardless of where they want to go. No finance agency including the bank will give to a borrowing member a loan the cost of which can compare to the credit union. To be sure interest rates as advertised by some of the banks at first glance seem to be lower. Where we make our greatest mistake is in attempting to compare interest rates rather than actual cost.

Your credit union uses CUNA Mutual Loan Protection insurance. No doubt your credit union pays the premium for this insurance for the members. This insurance protection is one of the most valuable features for the individual member. If the member borrowed money from the bank and also insured his loan, the cost for that insurance plus the interest charged by the bank would be considerably in excess of 1% per month as charged by the credit union.

The one thing that we have a habit of doing is attempting to give everything to the individual member in the way of low cost loan service without taking into serious consideration the consequences which may result by bringing this cost so low that we can't afford to continue our operations. I

am all in favor of bringing down the interest charges for personal loans just as low as we can get it, but I am convinced that the 1% per month rate is the lowest obtainable; and at this rate, we are in a position to provide sufficient earnings for the credit union so greater service can be extended to the members and in addition have sufficient funds with which to pay the treasurer of our credit unions an adequate salary. Too many credit unions try to operate without paying a just and reasonable salary for the work that is performed by the office of treasurer. All of us have a desire to do as much as we can to help ourselves and our fellowmen, but many credit union treasurers become discouraged because of the volume of work and the time required which takes them away from some of their family duties.

If your earnings are such that it is felt the credit union could operate with a lower interest rate, use this additional amount by expanding the services of the credit union for the members. Use some of this money for educational work. It is needed in every credit union, and above all make sure that your treasurer or any other of the employees of the credit union are adequately paid for their services.

CUNA Credit Union

QUESTION (FROM LOUISIANA):

I was recently elected to the Board of Directors of my credit union. I have a loan with my credit union that exceeds the amount of my share holdings and circumstances are such that I must refinance my obligations. Under our law board members are not permitted to borrow in excess of their share holdings and I understand it is not permissible to refinance or change the terms of an existing obligation that was made prior to election to the board. What credit union facilities are available to me, if any?

ANSWER:

If your credit union is a member of the Louisiana Credit Union League you are eligible for membership in the League's central credit union. This credit union has an office at 717 Carondelet Building in New Orleans. Membership in this credit union will give you full borrowing privileges. In the event that the League's Central Credit Union is not in a position to help you, then you are eligible for membership in CUNA Credit Union located here at national headquarters in Madison, Wisconsin. Any person, regardless of the state in which he lives, if restricted because of law or otherwise, is eligible for membership in CUNA Credit Union.

CUNA Credit Union charges the

usual 1% per month interest for loans. Share holdings, chattel mortgages filed in the county seat of the borrower, and co-signers are accepted as security. The amount of security required is at the discretion of the credit committee of CUNA Credit Union. If all papers are filled out properly upon submission, the time involved to complete a loan with CUNA Credit Union is the time consumed by the mails. CUNA Credit Union also carries loan protection and life savings insurance with the CUNA Mutual Insurance Society.

On Department of Publications

QUESTION (FROM ILLINOIS):

We have seen reports of the new department Cuna Supply set up last fall to specialize in the preparation of credit union educational and promotional materials. Because of the urgent need for such materials, smartly designed and produced, I am anxious to learn what the new department has in store for us. I wonder if it isn't a little slow in producing results.

ANSWER:

In the six months of its operation the department has produced these items now in stock: the Centennial poster, the Centennial stamp, and a new edition of the Wisconsin league pamphlet "Credit Unions," by Fabian Monroe. The pamphlet was revised for use

throughout the movement and almost completely redesigned.

Other items initiated by the department, now in production, include two posters, two leaflets, and several revisions of old items and of pieces developed by credit union leagues.

One leaflet being worked on will present statements supporting credit unions by leaders of business, government, labor, agriculture.

Plans are also being completed and material prepared for a Poster-a-Month service, and for a monthly circular designed to be purchased on a bulk subscription basis by credit unions for distribution to their members.

Other projects being given attention include a poster and leaflet display frame, annual meeting and membership drive items for next year, and modernization of several of our more popular old pieces.

We too have wished that we might get results more quickly from this department. As is always the case the details involved in setting up a new department and in inaugurating new projects take exasperating amounts of time. In addition we face rather special limitations of space, manpower, and money.

However we are confident that the coming months will show gratifying results. We are determined to set and maintain high standards for this program, both in regard to quantity and quality.

Cuna Mutual Dividend

QUESTION (FROM IDAHO):

We have received CUNA Mutual Society's dividend credit notice. Would you give us a proper procedure in handling this account, insofar as the credit union records are concerned?

ANSWER:

The amount of your dividend from the CUNA Mutual Insurance Society in effect places your credit union in the same position that would result if you sent to CUNA Mutual Insurance Society your estimate of advance premium payments. Suggested examples of accounting transaction entries are as follows:

Debit—Prepaid expense (Asset Account).

Credit—Insurance Expense (Disbursement Account).

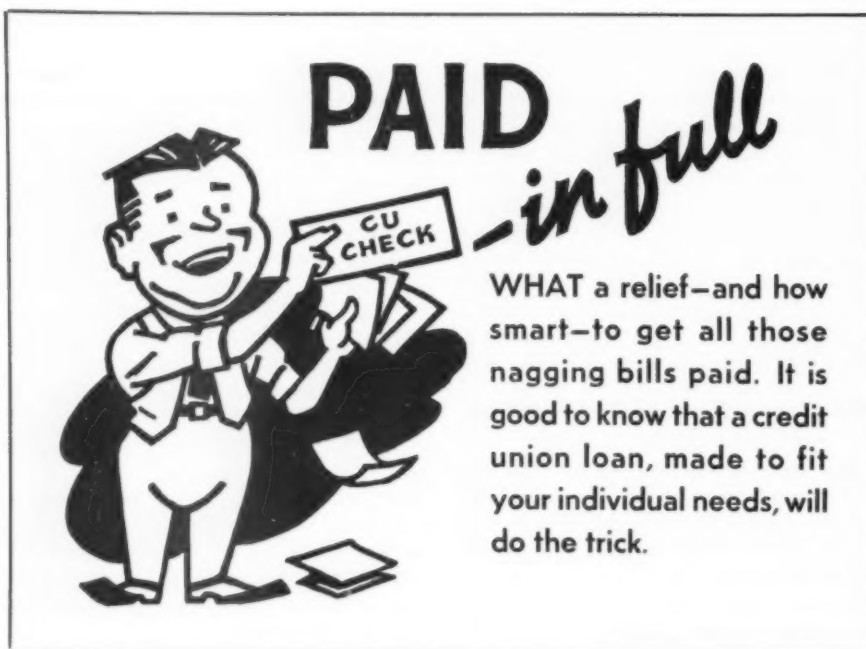
When you submit your coverage report on your loan and shares insured each month thereafter the following entry is suggested until such time as the credit has been completely absorbed:

Debit—Insurance expense (Disbursement Account).

Credit—Prepaid expense (Asset Account).



"But why can't I borrow on Pop's account? He borrows from my piggy bank!"—From Poster of EGFA Federal Credit Union, Pittsburgh, Pennsylvania.



Poster 752; Blotter 7

Danger! Anticlimax Ahead!

FOLLOW-THROUGH, so important in many sport techniques, is no less important in credit union campaigns. As we approach the final month of this year's credit union membership drive we remind ourselves to underscore that fact.

No matter how well we plan our drive it will be a failure, or at least not as successful as it might be, if the enthusiasm worked up in the planning stage peters out early in the campaign. We must follow through with a final spurt that will bring the campaign to a satisfying climax.

No doubt this should go without saying, but unfortunately many drives do end in just such anticlimaxes rather than in climaxes. So perhaps this reminder will be helpful to you, as you round into the final month of your drive.

Also it might be helpful to mention the need for follow-through after the drive is over. The drive will not be successful unless we welcome our new members with outstanding service, and frequent invitations to use that service.

Printed Assistance

On this and the next page we conclude a series of membership drive reviews of posters and other printed materials credit unions may obtain



Poster 608; Insert 608a

from their supply cooperative. From time to time in the future additional aids, and of course new materials as they are issued, will be presented.

Please Note Carefully

Prices mentioned apply proportionately to any quantity desired; are subject to change without notice. *League members (in the U.S.A.) may deduct 20 percent on all items not marked net.*

Order from your league if it has a supply department; otherwise from Cuna Supply Cooperative, Madison 1, Wisconsin. Canadian office, 436 Lister Bldg., Hamilton, Ontario.

Leaflets and Pamphlets

Three Questions About Credit Unions. A long-time favorite. 3½ by 6¼, four pages. 40 cents per 100.

Ed-23—What Is a Credit Union? Brief, well-written discussion of credit union service and philosophy. 3½ by 6¼, four pages. 60 cents per 100.

Ed-29—Figure All the Charges. A popular Bridge reprint. Spells out how borrowers are exploited, and how great is their suffering. 5½ by 8½, four pages. 90 cents per 100.

Credit Unions—the People's Banks. Public Affairs pamphlet No. 50. 32 pages. 10 cents each net.

Loan Sharks and Their Victims. Public Affairs pamphlet No. 39. 32 pages. 10 cents each net.

Federal Credit Unions—Cooperative Thrift and Credit. Two colors. 3¼ by 7¾, two folds, six pages. \$1.30 per 100.

Ed-16—Slaying the Debt Dragon. by Lowell Brentano. Reprint from True Story. 8¼ by 11, four pages. \$1.10 per 100.

The Cooperative People's Bank, by Alphonse Desjardins. Eloquent credit union history and testimony by Canadian pioneer. 8½ by 11, four pages. 5 cents each.

Ed-22—Leo XIII and Credit Unions, by Bishop Muench. Reprint from The Commonweal. 8½ by 11, two pages. \$1.80 per 100.

The Church and Credit Unions, by Monsigneur Hubert Lerschen. 8½ by 11, one page. 90 cents per 100.

The Church and Credit Unions, by Benson Landis. Published by the Federal Council of the Churches of Christ in America. This is a revised and enlarged issue of a popular piece. 5½ by 8¼, 32 pages. 15 cents each net.

Credit Where Credit Is Due, by Frank W. Hub-

Need Money?
it costs **MUCH LESS**
to borrow from your
CREDIT★UNION

- ★ Lower personal loan rates
- ★ Borrower's life insured, no added cost
- ★ Every loan in strictest confidence

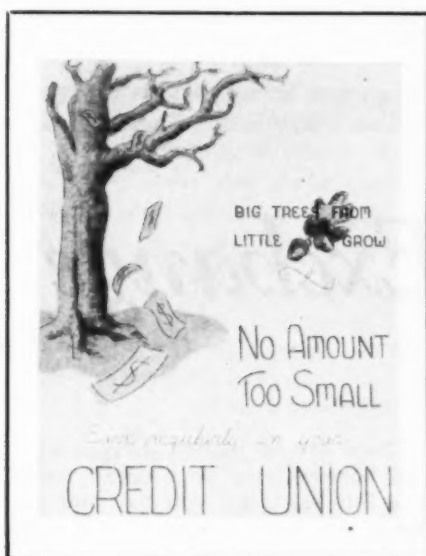
CONSULT the *Credit Union*

For Example

Interest on a \$100
loan repaid in ten
monthly payments
is only \$550

**NO EXTRA CHARGE
OF ANY KIND**

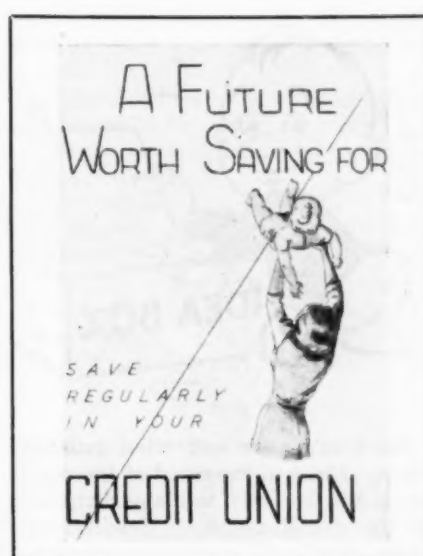
Poster 753



Poster 764; Insert 764A; Blotter 764B;
Flyer 764F



Flyer WCUL-91



Poster 763; Insert 763A; Blotter 763B;
Flyer 763F

bard. Reprint from The Journal of the National Education Association. 8½ by 11, 2 pages. \$1.90 per 100.

Ed-35—The Credit Union Provides a Safe Landing for Employees. Reprint from Koppers News. 8½ by 11, 4 pages. \$4.50 per 100.

Ed-10—Credit Union Serves Bank Employees. Story from Burroughs Clearing House. 8½ by 11, 2 pages. \$2.20 per 100.

Ed-40—The Next Two Steps, by R. D. Zevin. The president of World Publishing Company tells great service rendered by employees credit union. 5½ by 8½ inches, four pages. \$2 per 100.

Ed-39—School Children Run Own Credit Union, by P. J. Mulrooney. How St. Brigid's Parish Credit Union, in Toronto, helped parish school children set up and operate own credit union. 5½ by 8½, eight pages. \$3.50 per 100.

Ed-38—Out of the Red White the Paris Credit Union, by W. B. Faherty, S. J. Credit union leads to home ownership. 5½ by 8½, four pages. \$2 per 100.

Centennial Boosters

For items to help you take full advantage of the prestige and strength demonstrated by 100 years of credit union achievement, being celebrated this year, see full page Cuna Supply Co-operative advertisement elsewhere in this issue.

Novelties

Ed-27—A Cordial Welcome. Pocket folders. On cover is welcome letter to be addressed to new member and signed by credit union president. Inside are two pockets in which may be inserted leaflets and other informational material.

Featured on the inside and back are statements outlining services rendered by the credit union, and testimonials by leaders of industry, labor, religion, and agriculture. 6 by 8½, four pages. \$4 per 100.

Calendar Bank. Attractive plastic thrift aid. Coins inserted keep calendar up to date. \$1.95 each.

Pocket Calendars. Thousands sold each year. Calendar on one side; credit union message on other. Heavy stock; bright color. Look for announcements in The Bridge this fall.

Book Matches. Imprinted with your credit union name and address. Colorful credit union message. Prices on application.

Other Sources of Materials

The Bridge. Each month in The Bridge the Idea Exchange pages as well as other pages, contain additional suggestions. Watch particularly for Cuna Supply notices; see "What About It?" department particularly for operating suggestions; "Idea Exchange" for promotional suggestions. The Bridge should be ordered for each director and committee member. Subscriptions \$1.50 per year each net.

Cuna Briefs. These frequent letters from desk of Cuna managing director offer helpful advice on various phases of credit union activity. Be sure to call them to the attention of all directors and committee members.

Correspondence. The office of your credit union league or the Credit Union National Association will be glad to answer your special question.

Meetings. Your chapter meetings and the annual meeting of your credit union league are unexcelled opportunities to exchange ideas with other credit union leaders. League meetings

almost always have exhibits of latest printed aids.

The following items are illustrated on this and opposite page.

Posters

608—Boy! What a Relief. Brown and green. 10½ by 14 inches. 5c each.

622—Teamwork Wins! Green and black. 14 by 10½ inches. 5c each.

752—Paid—in Full. Blue on white. 14 by 10½ inches. \$2.40 per 100.

753—Need Money? Red and Black on white. 21 by 11 inches. 5c each.

754—See Your Credit Union. Blue and yellow. 21 by 11 inches. 5c each.

763—A Future Worth Saving for. Blue on white. 10½ by 14. \$2.40 per 100.

764—No Amount Too Small. Brown on white. 10½ by 14. \$2.40 per 100.

Inserts

608A—Boy! What a Relief. Brown and green. 2½ by 4½. 35c per 100.

763A—A Future Worth Saving for. Black on white. 3¼ by 6. 42c per 100.

764A—No Amount Too Small. Brown on white. 3¼ by 6. 42c per 100.

Blotters

7—Paid—in Full. Blue on white enamel. 6 by 3¼. \$1.10 per 100.

763B—A Future Worth Saving for. Black on white. 3¼ by 6. \$1 per 100.

764B—No Amount Too Small. Brown on white. 3¼ by 6. \$1 per 100.

Flyers

WCUL-91—Gosh, Only a Penny! Black on pink. 8½ by 11. \$1.10 per 100.

763F—A Future Worth Saving for. Blue on white. 8½ by 11. \$1.10 per 100.

764F—No Amount Too Small. Brown on white. 8½ by 11. \$1.10 per 100.

SEE YOUR CREDIT UNION

For Low Cost Personal Loans

TO MEET

- DOCTOR AND HOSPITAL BILLS
- FAMILY EMERGENCIES
- PRESSING OBLIGATIONS

TO FINANCE

- AUTOMOBILES
- HOME APPLIANCES
- FURNITURE
- HOME REPAIRS

★ LOW INTEREST RATE

★ STRICTLY CONFIDENTIAL

★ PROMPT ACTION

USUALLY ON FIRST CALL

Poster 754

TEAMWORK WINS!

SAVE

...regularly

BORROW

...promptly

REPAY

...promptly

Poster 622



Idea

Exchange

Here are new and tried publicity ideas. Ideas in the mind of the member is the first step to his participation in the credit union. "Credit union know-how" will lead him to more opportunity and happiness.

BRIDGE suggests:

1. that you mark and USE the ideas which attract you.
2. that you adapt them to conversation, pay inserts, circulars, blotters, posters, and house organs.
3. that illustrations be reproduced by tracing, photo-offset, or photo engraving.
4. that mats of Idea Exchange Features may be purchased for 30c each from BRIDGE for printing uses. (See below).
5. that each release contain full directions as to where and when credit union service is available.

Please send copies of all your publicity material to BRIDGE. Your participation in the Idea Exchange is helpful to other credit unions and sincerely appreciated.

Mats Available

Mats, from which cuts for reproduction may be economically made, are available for Idea Exchange features when so indicated beneath the feature. These cost 30 cents each. Orders should be sent, and checks made payable, to BRIDGE, Madison 1, Wisconsin.

—i.e.—

Don't Be Taken In

Why skimp and sacrifice to save a dollar or two each month and then be taken in by one of these "6%" myths?

Your credit union will gladly give you a comparative cost on any deal without any obligation on your part. We have nothing to hide—no service fees, no rewrite fees, no fines or penalties if you are a day or two late. Our loan insurance is free. One per cent per month on the unpaid balance covers everything.—THE CREDITEER from the American Blower Credit Union.

It Is Wise To Save

Inflation exists. Sound thinking suggests practical reasons for regular savings. Here they are:

1. People encounter emergencies. Have a cash reserve available which earns interest for you.
2. You cannot be independent, free from worry, and able to take advantage of opportunities—unless you have established an adequate cash reserve.
3. Prices are too high. Help to lower them by not buying more goods than necessary. Do without many articles, and you will reduce pressure on markets.
4. Your money will possess increased buying power later.
5. Better goods will be produced later than many of these turned out so hastily today.—CREDIT UNION CO-OPERATOR of District of Columbia Teachers Federal Credit Union.

—i.e.—

Are You One

WHO NEEDS \$50.00 TO HELP PAY SOME BILLS?

If you repay it in five monthly installments of \$10 (plus interest), it will cost you only \$1.50.

WHO WANTS TO BUY A NEW REFRIGERATOR COSTING \$180?

If for example you have \$60 for the down payment, you can get \$120 from your credit union and repay it in twelve monthly installments of \$10 (plus interest). It will cost you \$7.80.

WHO WOULD LIKE TO MAKE REPAIRS TO YOUR HOME COSTING \$500?

You can borrow that amount from your credit union and repay it in twenty-four monthly installments of \$20.83 (plus interest). It will cost you \$62.50.

WHO INTENDS TO PURCHASE A NEW AUTOMOBILE?

The credit union will loan you the balance. If the amount borrowed is \$1,000 to be repaid in fifteen monthly installments, the monthly payment will be \$66.66 (plus interest) and the cost will be \$80.

There are no hidden charges when you borrow from your credit union. The interest is all you pay and you receive life insurance equal to the unpaid balance of your loan.

See Your Credit Union First for savings—for loans.—Northwest Engineering Credit Union.

—i.e.—

How To Raise A Fine Flock

You needn't be a farmer to get in on this smartest bumper crop in history!

It doesn't matter whether you can tell a tractor from a turnip. There's no hard labor involved, no seeds to plant, no weeds to pull.

All you do is sign your name, just once, at the bottom of a Payroll Savings allotment blank, right here where you work. After that you can sit back and watch your dollars grow!

You see, saving money can be automatic—when you do it the Payroll way. The money you save regularly every payday grow up astonishingly fast, and in no time at all you'll find that you have enough put by to send your kids to school, to take the trip you've been looking forward to for so long, or to get a head start on that home of your own about which you've been dreaming.

Remember—the money you don't save now is money you've lost forever! You can't call it back.



The Banana

that leaves the bunch gets skinned. Stick to your credit union: Save fees, interest, and extra hidden costs and fines. See your treasurer.

(Mats available, see col. 1)

Idea Exchange

\$471,078 Is A Lot Of Savings!

That's nearly half a million dollars! But . . . what do these figures show?

1. They show that the average is \$250 per account.
2. They show that 1455 of us have less than the average.
 - (a) The 1455 have total savings of \$89,995
 - (b) That's too many people with too little savings!
 - (c) The 1455 have an average of only \$61.85.
3. They show that 425 of us have more than the average.
 - (a) The 425 have total savings of \$381,082
 - (b) That's too big a proportion in the hands of a few!
 - (c) The 425 have an average of \$896.65.

WHAT TO DO ABOUT IT???

The answer is simple . . . very simple. Just save something every payday—as much as you can—\$5, \$2, \$1, 50c or even a quarter. Save for a Rainy Day! When the Rainy Day comes, you won't get wet if you have a substantial Savings Account; not even damp.

Try building up your account to the average (\$250) as soon as possible, if you are now below that figure.—St. Anne's Federal Credit Union.

Life Savings Insurance

THE BASIC OBJECTIVE of the credit union movement is the promotion of thrift. It seems fitting during this period of inflation that we materially increase our effort to encourage regular savings in our credit unions. It is also fitting that we encourage permanency of these savings.

Life Savings Insurance was developed by CUNA Mutual Insurance Society to assist in such a program. Life Savings Insurance insures the lives of all members (subject to the terms of the contract) in the amount of their total savings in the credit union at the time of death.

The use of Life Savings by a credit union: (1) Provides credit union members with much needed insurance protection by matching savings with insurance.

(2) Induces the member to save systematically. (3) Creates a desire on the part of the member to maintain his savings on a permanent basis so the valuable insurance protection will not be destroyed.

The use of Life Savings Insurance strengthens a credit union because: (1) It creates an even higher regard for the credit union in the member's

mind since such service cannot be obtained elsewhere. (2) It provides regularity of share income by stimulating constant savings on the part of the member. (3) It stabilizes share balances by reducing share withdrawals. Members often borrow rather than withdraw their savings.

Credit unions lead the way with loan protection and Life Savings insurance.

I suggest that your Board of Directors study the Life Savings program very carefully from the viewpoint of the credit union member. The adoption of this program by your credit union for its members will be a forward step.—By Thomas W. Doig, reprinted from ILLINOIS CREDIT UNION NEWS.

—i.e.—

What Members Say

Here is what eleven of our members say the C. G. Credit Union did for them last year:

- "Financed a new car which I could not do without in my business"
- "Set me up in business"
- "Paid off a bunch of overdue bills and straightened out my budget"
- "Paid my insurance and taxes"
- "Taught me the value of saving while still paying off my loan"
- "Insured every cent of my debts so

that if I die my widow owes nothing"

"Helped to refurnish my home"

"Provided a splendid vacation for myself and family"

"Helped me to buy a home"

"Helped me to save over \$100 when I never could save before"

"Aided my boy to buy a bicycle and increased his paper circulation and income"—C. G. Credit Union (B.C.) Ninth Annual Report.

—i.e.—

Cash—When You Need It

RATES LOW—1% per month on unpaid balances.

EASY PAYMENTS—through payroll deductions.

DELAYS ARE EXPENSIVE—see us at once.

IMMEDIATE SERVICE—no waiting periods.

TWENTY-FOUR MONTHS—to repay on most loans.

UNDER GOVERNMENT SUPERVISION—by Federal Deposit Insurance Corporation.

NO LOAN FEES—actual cost only.

INVESTIGATION NOT ALWAYS NECESSARY—we know you.

OUR OWN BANK—owned by Telephone company employees.

NO PREPAYMENT CHARGE—if you pay in full before maturity.—Tropical Telco Federal Credit Union.

Spring
1947

SEEDS



As Ye Sow
So Shall
Ye Reap

Savings!

Loans!

HIGH RETURN SAVINGS

LOW COST LOANS...

MONEY WHEN YOU NEED IT

Taxes... Vacations... Coal...

Doctor, Dentist Bills...

Contract Buying, etc...

BE A MEMBER IN GOOD STANDING

COLLINS EMPLOYEES CREDIT UNION

Armstrong Building - Dial 2-2078
Upstairs 3rd Ave. & 3rd Street

Open every F.M. except Saturday
1:00 to 5:45 P.M.

Loans!

Savings!

Idea Exchange

Your Cash Credit Is Firmly Established Here!

Let us know whenever you need more money! We extend you a sincere invitation to make further use of our loan service at any time. Because of your established Cash Credit with us you will receive immediate attention on any request for more money.

See us for cash to pay bills, make car or home repairs, buy needed things, provide for medical or dentist attention, or to meet any emergency that may confront you. It will take only a few minutes to arrange the details. If you need some extra money now, just let us know.

You will receive prompt action!—
CREDIT UNION NEWS, Tropical Telco
Federal Credit Union.

—i.e.—

Why Join a Credit Union?

Why was Pacific Cooperators Federal Credit Union organized? Why get excited about a business owned by the employees of Pacific Supply? Why? Why? Why? These questions are justifiable and you are asking them. Ask these questions of present PCFCU members. Here are some of the answers they will give you!

Very few families have any savings to rely upon. The liquid savings of most of them would vanish in a week if current income should cease. These facts are revealed in a survey made by the Bureau of Agricultural Economics. In the light of present living costs, a tremendous financial problem confronts every person who is head of a family. Humans are still susceptible to sickness, death, lay-offs and all the other factors that interrupt income and upset the best of budgets. These factors are of major importance to the individual concerned. Most financial institutions are more interested in the monetary welfare of the organization than in the difficulties and problems facing its individual customers. This is quite proper according to the tradition of good business practice but is often a source of misery and unnecessary hardship to the customer. Therefore the most satisfactory answer to these problems is cooperative effort on the part of groups of interested individuals. A credit union is the solution.

BECAUSE loan sharks still are extracting more than two hundred million dollars, annually in excessive interest charges from those least able to pay!

BECAUSE very few of the millions of wage earners are able to manage

their finances so that they never need use credit, even for medical or similar emergencies!

BECAUSE by actual survey nearly two thirds of installment buyers are unable to determine the true rate of charge of their purchases, and many of the salesmen are unable to correctly calculate the rate of charge!

BECAUSE great majority of wage earners are unable to save from current earnings any appreciable amount unless it can be done conveniently in small, regular sums!

BECAUSE the Credit Union is a people's association designed to render service to the group. It can and does answer all the above questions in addition to many other perplexing individual problems in personal finance!—Pacific Cooperators Federal Credit Union Bulletin.

—i.e.—

All You Buy Costs More!

DNICU LOANS COST SAME!

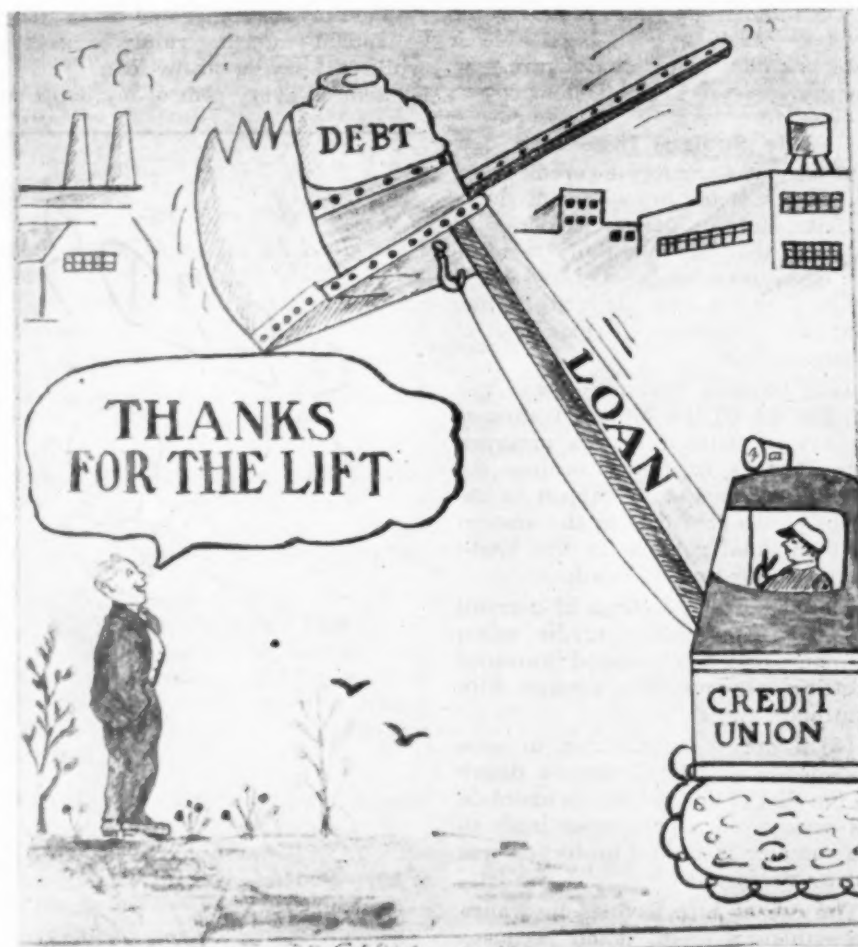
When you consider that everything you buy or use today costs more than it did, it is noteworthy that the cost

of using your own money for remedial purposes and consumer financing is actually as cheap today as it ever was. In fact when you take into consideration the increased dividend we paid for 1947 it actually decreased. The concentration of the modest resources of our members into a cooperative has made it possible for us to do things for you that you never could do for yourself alone. Better investigate!
—Detroit Newspaper Industrial Credit Union.

—i.e.—

Wanted! New Members

The annual drive for new members has begun. The few non-members here will be contacted again in a few days. We hope to raise our membership percentage from 98.5 to 100. Some of our newer members may not be aware of this: but our by-laws permit us to take members of your family into our credit union. We welcome any chance to bring the advantages of the credit union to them. Here's your opportunity to swell our membership ranks.



The above poster was used by the Van Nest Employees Federal Credit Union, Bronx, New York.

NOW AVAILABLE

The demand for the following mats quickly depleted our stock and numerous orders were not filled. We have a new supply of the mats pictured on this page, and you are invited to suggest other reprints of mats from previous issues that you wish to use. (Price 30c each)



It Works!

That helpful credit union loan and watching little expenses sure builds savings and brightens the future.

Know your credit union treasurer and see him regularly.

(Mats available; see above)



Goal! Touchdown! Basket! Eagle! Home Run!

Cheer-winning achievements all! But none so satisfying as a well-used credit union share account.

You really ring the bell when you make deposits in your credit union every pay day, and borrow wisely from your credit union.

See your credit union treasurer today.

(Mats available; see above)



Smoke Dreams?

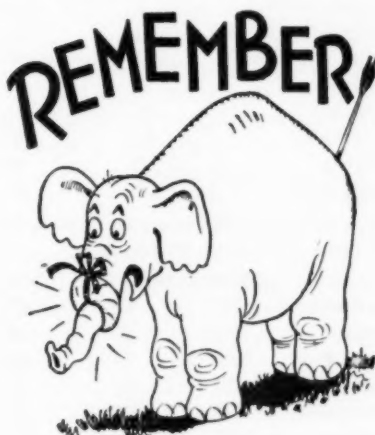
Not just a dream if you get your feet moving on payday to the credit union with a little savings. See your friendly credit union treasurer.

(Mats available; see above)



For your credit union is not only a treasure chest of goodwill, but real money. We like to lend money for helpful purposes.

(Mats available; see above)



Your credit union's friendly, handy, confidential, low-cost thrift and loan service.

Your credit union is here to serve you. Visit its office today and every payday.

(Mats available; see above)



Sure. Why worry, fret and cover up those bills? If you want sympathy that helps!! see your credit union. We understand the idea of small regular savings, too.

(Mats available; see above)



A Nest Egg

may change the angle in your favor in an emergency.

Start laying away on payday. Know your credit union treasurer and see him regularly.

(Mats available; see above)



WAS MY BLOOD PRESSURE UP?

Doc thought I was incurable until I got my all-in-one credit union loan.

Now Doc thinks his new treatments are doing wonders. But confidentially the relief the credit union brought is the main cure. I recommend that you see the treasurer for any financial need.

(Mats available; see above)



I Bury Mine

in the credit union so I can be sure and find it when I want it. When I keep cash on hand, it slips away. In the ground there are tell tales. But in the credit union it's O.K., and the treasurer is a good fellow to see often with a little savings.

(Mats available; see above)



Tennessee and Pennsylvania Go Over the Top

By W. B. Tenney

Assistant Director of Organization

THERE'S good news this month. As of February 29, 1948 Tennessee had 130 percent of its quota and Pennsylvania had 100 percent of its quota in the 1000 New Credit Union Drive. These are the first two leagues having a quota greater than one that have achieved 100 percent—and they have sixty days more in which to increase their score. Both of these leagues have more than doubled their previous year's performance in organization. Both have encouraged volunteer organizers and have realized some benefit from these efforts. Both have built up a momentum of organization effort during past months that is now showing a definite cumulative effect. Miss Lynch, Managing Director in Tennessee said recently "We are receiving more requests for help from new groups than we can care for at present. Seven of the credit unions recently organized in Tennessee called the league and asked our assistance to get them started. Several of them had not been previously contacted by the League, but their interest was aroused by various publicity efforts." Several other leagues are getting close to their quota and give indication they will be in the 100 percent class by April 30 when the drive closes.

During February, 53 new credit unions were born in 28 states and provinces. This exceeds by 8 the number reported in February 1947—the first time in three months we have exceeded last year's totals. In the calendar year-to-date results we are still a little behind last year, (88 in 1948, 97 in 1947). Leaders for the month of February are:

California with 7; Tennessee with 5; Pennsylvania and Wisconsin with 4 each. Leading leagues for the first two months of 1948 are California, 10; Pennsylvania, 8; Ontario, 7; Tennessee, 6; Wisconsin, 5.

1000 New Credit Union Drive

The 1000 New Credit Union Drive regained in February a little of the ground lost during December and January. The total, with two months to go to the deadline, stands at 427, as compared with 447 for the same ten months of the previous drive. Now is the time for that Garrison finish—that

home stretch sprint. We need 150 more credit unions during March and April to finish ahead of last year. We can do it if we try. Let's go.

Eleven leagues have achieved 75 percent or more of their assigned quota.

	Credit Unions Organized	Percent of Quota
Tennessee	13	130
Pennsylvania	35	100
Nevada	1	100
Newfoundland	1	100
Philippine Islands	1	100
North Carolina	18	90
Kentucky	9	90
Ontario	31	89
California	35	83
Georgia	8	80
Manitoba	9	75

Standings of the various Districts as of February 29 are as follows:

	Quota	Organized	Percent
Southern	150	98	65
Eastern	150	86	57
Central	150	74	49
Western	125	57	46
Canadian	150	60	40
Northeastern	125	40	32
Midwestern ..	150	29	19

Totals and quotas of leagues, with quotas in parenthesis, are as follows:

CANADIAN DISTRICT

Alberta (16) 6; British Columbia (20) 2; Manitoba (12) 9; New Brunswick (5) 1; Newfoundland (0) 1; Nova Scotia (30) 1; Ontario (35) 31; Prince Edward Island (5) 0; Quebec (5) 2; Saskatchewan (22) 7.

NORTHEASTERN DISTRICT

Connecticut (30) 15; Maine (10) 0; Massachusetts (20) 5; New Hampshire (5) 0; New York (35) 15; Rhode Island (15) 1; Vermont (10) 4.

EASTERN DISTRICT

Delaware (5) 0; District of Columbia (15) 9; Maryland (15) 4; New Jersey (25) 9; Ohio (30) 18; Pennsylvania (35) 35; Virginia (15) 9; West Virginia (10) 2.

CENTRAL DISTRICT

Illinois (50) 33; Indiana (25) 8; Michigan (35) 18; Wisconsin (40) 15.

MIDWESTERN DISTRICT

Iowa (27) 5; Kansas (17) 8; Minnesota (35) 5; Missouri (52) 6; Nebraska

(13) 1; North Dakota (3) 2; South Dakota (3) 2.

SOUTHERN DISTRICT

Alabama (10) 2; Arkansas (3) 2; British South America (6) 0; British West Indies (4) 0; Canal Zone (1) 0; Florida (15) 11; Georgia (10) 8; Kentucky (10) 9; Louisiana (10) 7; Mississippi (3) 2; North Carolina (20) 18; Oklahoma (10) 3; Puerto Rico (10) 5; South Carolina (3) 1; Tennessee (10) 13; Texas (25) 17.

WESTERN DISTRICT

Arizona (2) 1; California (42) 35; Colorado (13) 7; Hawaii (11) 4; Idaho (3) 0; Montana (7) 2; Nevada (1) 1; New Mexico (3) 1; Oregon (10) 2; Utah (5) 1; Washington (26) 2; Wyoming (2) 0; Philippine Islands (0) 1.

Volunteer Organizers Contest

Several credit unions were reported during February by contestants and it was a "hot" race right down to the last day. Final tabulation of results had not been made in time for the winner to be announced in this issue. He will be named in the May issue and the prize presented at the National Annual Meeting in May. Special mention must be made of Frank Keinz, Utica, New York. Frank entered the contest in early January and during the last two months of the contest he organized seven new credit unions—two of them on the final day. He was aware that due to the population basis of computing the contest he had little chance to win. By holding off a few days he could have credited these to his name in the next contest.

Instead, he completed them while group interest was at its peak so they could go ahead and serve their members. In Frank's letter informing us of these new groups he asked that he be entered in the new contest starting March 1 and says he hopes to make a good showing. We salute a real credit union guy.

Names of entrants in the contest just closed and the credit unions reported by each are as follows:

C. J. Watson, Ont., 8.
F. M. Keinz, N. Y., 7.
George Selkirk, Ont., 3.
C. L. Shackelford, Va., 3.
Edward Billett, Pa., 3.
Mildred Boyd, Calif., 2.

Ed O'Dell, Ont., 2.
 Harold Moses, La., 2.
 J. L. Bammerlin, Ariz., 1.
 G. M. Mortenson, B. C., 1.
 J. N. Davidson, Ont., 1.
 E. H. Ludwig, Jr., Ill., 1.

We want to thank each contestant entered for their efforts. We are truly sorry that all could not win. We hope they will enter next year's contest and again participate with the same fine spirit they have shown in the past. So far, two persons have expressed their desire to enter. They are: Frank M. Keinz of New York; and Hugh G. Stout of Oregon. Any volunteer organizer should enter this contest now and get an early start toward the prize. A new contest from March 1, 1948 to February 28, 1949, will be held. The rules will be announced later, but in the meantime let us get a good start by organizing credit unions now.



Founders Club

New Members

SINCE OUR LAST REPORT the following new members have been admitted to the Founders' Club:

A. Dalgleish, Steel Company of Canada Credit Union, Ontario, Canada.

A. Barr, Burlington Steel Credit Union, Hamilton, Ontario.

J. Barr, Burlington Steel Credit Union, Hamilton, Ontario.

E. Ott, National Hosiery Credit Union, Ontario, Canada.

G. Lewis, Frost Steel and Wire Credit Union, Ontario, Canada.

T. E. Davis, Long Beach Credit Union Chapter, Long Beach, California.

William E. Astley, Long Beach Credit Union Chapter, Long Beach, California.

E. W. Eubanks, ICUL Credit Union, Chicago, Illinois.

Henry Van Brookhoven, Liberty Can Federal Credit Union, Lancaster, Pennsylvania.

Lawrence Villeneuve, Bull's Eye Credit Union, Wisconsin Rapids, Wisconsin.

K. W. Kimsey, Knoxville Post Office

Credit Union, Knoxville, Tennessee.

Henry L. Timme, CUNA Credit Union, Madison, Wisconsin.

George E. McNamara, St. Louis Mutual Credit Union, St. Louis, Missouri.

Fred B. Griffith, Sr., Illinois Terminal Federal Credit Union, Chicago, Illinois.

R. S. Mayer, Henry Vogt Employees Credit Union, Louisville, Kentucky.

Corliss H. Edwards, Macon Central Federal Credit Union, Macon, Georgia.

Allan Wolfe, American Smelting and Refining Company Employees Credit Union, Omaha, Nebraska.

W. E. MacMorran, Phoenix Telco Federal Credit Union, Phoenix, Arizona.

John A. Harper, Department of Labor Credit Union, Little Rock, Arkansas.

Your Job

Wherever you're working—in office or shop,
 And however far you may be from the top—
 And though you may think you're just treading the mill,
 Don't ever belittle your job that you fill;
 For however little your job may appear—
 You're just as important as some little gear
 That meshes with others in some big machine,
 That helps keep it going—though never is seen.
 Your job is important—don't think it is not—
 So try hard to give it the best that you've got!
 And don't think ever you're of little account—
 Remember, you're part of the total amount.
 If God didn't need you, you wouldn't be there—
 So, always, my lad, keep your chin in the air.
 A digger of ditches, mechanic, or clerk—
 Think well of your future, yourself, and your work!—AUTHOR UNKNOWN

COVER PICTURE

James F. Barr, the treasurer of the Burlington Steel Employees Credit Union of Hamilton, Ontario, is receiving delivery of the first of 200 CUNA Calendar Banks from Gordon Smith, the manager of the CUNA Canadian office, in the first sale by the newly established Canadian Branch of Cuna Supply Cooperative. Miss B. Hannigan is recording the sale.

What, Oh What, To Do

Make the most of the month of April in putting over the 5th Annual Membership Drive. Ask every potential member to join.

Send in your membership drive reports promptly to the league office.

File your Internal Revenue Service Form 990. New state-chartered credit unions also must file an application for exemption Form 1027, if not previously filed. Contact your league or Cuna if further aid is needed.

Prepare publicity plans for summer vacation, summer school, and savings for fall and winter expenses.

Plan a vacation for the treasurer and employees. Train a substitute.

Arrange for the maximum attendance to the league meeting from your credit union.

Visit a board of directors meeting of a neighboring credit union.

Tell your pastor, neighbor, business associate, fellow club member—the benefits of a credit union.



Roy F. Bergengren

Roy F. Bergengren

Managing Director of the Vermont Credit Union League

ROY F. BERGENGREN has been appointed managing director of the Vermont Credit Union League, which was organized in August 1947.

Mr. Bergengren became Executive Secretary of the Credit Union National Extension Bureau in 1921. When the Credit Union National Association was organized in 1935, Mr. Bergengren was selected as managing director and served until he resigned in 1945.

Following retirement Mr. Bergengren moved to Vermont and served as credit union advisor to the Vermont Cooperative Counsel, and aided the credit union development in the state. At the recent meeting of the league, he was elected managing director and national director of the League.

Our Readers Write

TO THE EDITOR:

BRIDGE arrived yesterday. Our desks at the office are closely grouped. We have three directors "within hitting distance" of each other. This morning one of these directors was quoting from BRIDGE—and another said "You find more interesting things in that thing."

That statement startled me. It made me wonder why some find a wealth of material in BRIDGE and others come up with a blank.

BRIDGE does contain, does offer good material, but I think we need to observe: some directors and committee men do not have a sufficient background of Credit Union fundamentals or operating problems to make the articles suggest action for them. That brings a job squarely to local management. We do a lot of shouting about educating our credit union membership. That's good providing of course, that we supplement our shouting with a "lot of doing," BUT—it appears that we begin our educational programs in the membership group when we should first educate our officers in fundamental credit union psychology and objectives. Expressed in another manner "we are working with blunt tools."

That's a bit embarrassing after all these years and we may as well face the situation honestly. Millions of words have been printed, reams of paper used, by Chapters, Leagues and CUNA in an honest effort to give credit union officers the information needed to become, or to be, enthusiastic and able credit union leaders. All of this material is just paper unless the desire to use it is created, and that brings the problem back squarely to local credit union management again.

The remedy, the solution, then seems to be a series of Credit Union Board meetings in which we will first generate some real enthusiasm for the Movement thus creating a desire to be well informed and in which meetings the broad objectives of the credit union movement based on Rochdale and Filene principles and beginning with Control—Thrift—Credit in that order will be studied, discussed and revolved into thorough understanding.

How to best implement the project? (Pardon me while I do a bit of wishful thinking about having ten Petersons and ten O'Briens here in Kansas and Missouri.)

(1) Chapter and League organization committees should be able to furnish the man-power to "pep up," to revitalize personnel. Bill Tenney is going to first doubt that (based on the record of accomplishment) and then

object to pirating his manpower.

(2) Publish an article in BRIDGE which will

(a) establish the need and the opportunity created by such a series of Board meetings,

(b) outline discussion material which will produce the desired comprehension of credit union basic principles and objectives.

(3) A letter from Mr. Doig to all Chapters:

(a) recommending that the BRIDGE article be read at Chapter meetings; and that the Chapter adopt a resolution requesting all credit unions to hold such Board meetings.

(b) a letter from Mr. Doig to credit union presidents setting forth their responsibility in the matter and requesting their cooperation (enclose copy of BRIDGE). —*Dick Lagerman, Colgate-Palmolive Peet Employees Credit Union.*

TO THE EDITOR:

It is with a mixed feeling of doubtful merit but positive elation that I accept the fifty dollar check awarded me for being adjudged co-winner of the first prize in the BRIDGE Name Contest.

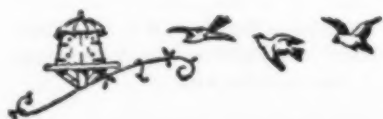
To the best of my knowledge, the Point Breeze Credit Union is very well patronized, but I believe that a few copies of THE BRIDGE, judiciously placed, would help further publicize and retain interest in the credit union. What I have in mind is to have a copy of THE BRIDGE always available in the credit union office for members to examine, a copy in the Reception Room for visiting salesmen to peruse, and possibly a copy suspended from one or more bulletin boards. Incidentally, I learned of the BRIDGE Name Contest only when I casually picked up a copy of BRIDGE from the desk of a credit union official—the first BRIDGE I had come across in years—while waiting for the official to return to his desk.—*J. J. BORMIDA.*

TO THE EDITOR:

Our thanks to you for the compliment of reprinting the items on page 13 of February's BRIDGE from our December 1947 Bulletin.

Was it not an oversight that you did not mention "Lansing Teachers Credit Union" as the source of these "ideas exchange"?—*H. B. Noble, Treasurer-Manager.*

Editor's Comment: I am sorry the error occurred on my part.



Coming Events

April 3—Arkansas Credit Union League annual meeting, Lafayette Hotel, Little Rock.

April 3—Georgia Credit Union League annual meeting, Atlanta.

April 3-4—Midwest District of Cuna annual meeting, St. Paul Hotel, St. Paul, Minnesota.

April 9-10—South Dakota Credit Union League annual meeting, City Hall, Sioux Falls.

April 9-10—Credit Union League of Alberta annual meeting, MacDonald Hotel, Edmonton.

April 9-10-11—Pennsylvania Credit Union League annual meeting, Benjamin Franklin Hotel, Philadelphia.

April 10—Rhode Island Credit Union League annual meeting, Johnson's Hummocks, Providence.

April 10-11—Oklahoma Credit Union League annual meeting, Tulsa.

April 16-17—Colorado Credit Union League annual meeting, Trinidad.

April 16-17—Indiana Credit Union League annual meeting, Lincoln Hotel, Indianapolis.

April 16-17—Texas Credit Union League annual meeting, Driscoll Hotel, Corpus Christi.

April 16-17—Minnesota Credit Union League annual meeting, Nicolet Hotel, Minneapolis.

April 17—Kentucky Credit Union League annual meeting, Hotel Seelbach, Louisville.

April 17—North Carolina Credit Union League annual meeting, Sir Walter Hotel, Raleigh.

April 17—West Virginia Credit Union League annual meeting, Parkersburg.

April 23—Massachusetts Cuna Association Inc. annual meeting, Parker House, Boston.

April 23-24-25—Michigan Credit Union League annual meeting, Book-Cadillac Hotel, Detroit.

April 23-24-25—Ohio Credit Union League annual meeting, Carter Hotel, Cleveland.

April 24—Tennessee Credit Union League annual meeting, Nashville.

April 30 - May 1—Ontario Credit Union League annual meeting, Royal Connaught Hotel, Hamilton.

May 7-8—Florida Credit Union League annual meeting, Angebilt Hotel, Orlando.

May 13—Cuna Supply Cooperative annual meeting, Madison, Wisconsin.

May 14—Cuna Mutual Insurance Society annual meeting, Madison, Wisconsin.

May 15-16—Credit Union National Association annual meeting of the National Directors, Madison, Wisconsin.

May 22—North Dakota Credit Union League annual meeting, Devils Lake.

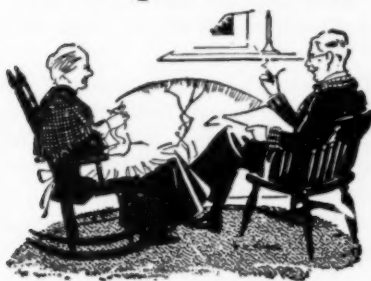
The Central Credit Union meets May 21 in Devils Lake.

May 29—Virginia Credit Union League annual meeting, Richmond.

June 4-5-6—New York State Credit Union League annual meeting, Hotel Statler, Buffalo.

November 19-20-21—Missouri Credit Union League annual meeting.

Once Upon A Time



20 Years Ago in Bridge

☐ The Milwaukee Credit Unions have a dinner meeting at the cafeteria of The Boston Store arranged by Mr. Vogt and a committee was appointed for credit union expansion.

Hubert M. Rhodes was introduced in BRIDGE as an active credit union volunteer organizer from the Raleigh (North Carolina) Postal Credit Union.

☐ Mr. Louis Brehm, Director of Service Relations of the office of the Postmaster General announced 100 credit unions among postal employees. Mr. Brehm met Mr. Bergengren in Chicago and by adding the credit unions each had recently organized the 100 mark had been passed.

10 Years Ago in Bridge

☐ Life Savings Insurance Plan offered by Cuna Mutual Insurance Society.

☐ Filene House was suggested as a Memorial to the late Edward A. Filene.

☐ BRIDGE subscriptions reached 109,000 with many credit unions subscribing for 100% of its members.

☐ A fire at Raiffeisen House in the offices of Cuna Mutual Insurance Society and the Managing Director.

☐ Illinois reports 118 credit unions organized for the previous year. Organization reports for the previous month were 10 from Pennsylvania, 11 from Missouri, and 9 from Minnesota.

5 Years Ago in Bridge

☐ Harry C. Bauer, president of the Tennessee Credit Union League; and Norman Tracy, the managing director of the Wisconsin Credit Union League—were reported in the Army.

☐ Over 800 attend the annual meeting of the New York Municipal Credit Union.

☐ Alexander Beaton Credit Union in Nova Scotia purchase a building.

☐ "Three Dollar Circular" of U. S.

Treasury Baltimore Employees Federal Credit Union brings activity. Loans increased from \$1,441, to \$5,217, and member from 305 to 325 in one month.

League Work Builds

BOIL DOWN THE CO-OPERATIVE WAY to its essence and you see that it means mutual self-help. It means working with your neighbor, helping him to improve his position as he helps you to improve yours. Results have amazed even hopeful observers.

Next month the Ontario Credit Union League will hold its annual meeting in Hamilton. Seven years ago in the same city the Ontario Credit Union League was formed.

Did the most optimistic Credit Unionist present at the 1941 meeting expect that there would be 237 member credit unions in 1948? Few of us foresaw an increase of about 50,000 in the membership of Ontario credit unions. People were so busy. We were at war. Yet we have seen this great increase in membership, and assets of credit unions have increased to about \$10,000,000.

The growth was during a time of war-stimulated prosperity, the very time when many close students of Co-operation looked for relatively slight interest. Now we hear predictions of contraction of credit, and economists here and there are telling us that the period of cheap money is passing.

It is well to recall that credit unions during the past century usually made their greatest advances during bad times. Time after time, as people turned from wild theories and learned anew the plain truth that the way to improve conditions was to organize and to do the job for themselves, they found in the Co-operative Movement the ideas, the ideals, and the techniques that they sought.

The savings of poor people made the development possible; and the Cape Breton fishermen endured poverty such as few Ontario communities have experienced. Dr. Coady, Dr. Tompkins, A. B. MacDonald, and their associates taught them to pool pennies, to work together, to build an economy that they would own and control. The results are a splendid achievement.

What does the future hold for us? We shall attempt no gloomy prophecies. But, come what may, there isn't a possible shadow of doubt that strong credit unions, strong in well-informed and loyal membership, strong financially in the pooled savings of members, will be an immense help to our people under any and all circumstances.

It is necessary too that credit unions

be united, linked together by strong bonds so that all can assist one another should there be need. This is the function of the Ontario Credit Union League. Through the League we are united with the Co-operative Movement, can reach the leadership and receive the help necessary for such Co-operative development as our needs may determine.

Credit union directors should choose delegates in good time, make sure that the credit union will be represented at the Hamilton meeting. Prepare in good time, send your best representatives to Hamilton this year.—ONTARIO CREDIT UNION NEWS.

Goodwill

LET US NOT FORGET that anyone who will visit us, anyone who will call us on the telephone, anyone who will seek our aid, offers to us the privilege of creating goodwill for the credit union. Let us make the most of each opportunity to make friends for our organization. Let us not throw away that privilege.—Revised from a statement of J. L. Beven for Illinois Central Railway Employees.

Farm Debt Up

ALTHOUGH NATIONAL FARM INCOME and the value of United States agriculture have more than doubled themselves since 1940, debts have increased. In 1946, crop loans increased from \$3,119,000,000 to \$3,524,000,000 and mortgages climbed to \$4,890,000,000. Higher valuation of farm assets has largely offset debt increases, so that, according to the Bureau of Agricultural Economics, "the liquid assets of agriculture have increased relatively more rapidly than those of non-farmers." At the same time, the index of prices paid by farmers rose 85 percent between 1940 and 1947. Hence, after adjusting for price increases, farm gains are not so great as they seem in unadjusted amounts.

Due to crops of wheat and meat, farmers in the Great Plains area show the largest income gains. The Cotton Belt shows some increases, while New England appears poorest.

Three-fourths of the total farm income goes to the top one-third of American farmers, chiefly those with big, mechanized "factory farms." This means that the top farmers, numbering about 2,000,000, will average over \$11,000 each. The two million at the bottom of the scale receive less than five percent of the total income, or as little as \$700 each.—CONSUMER NEWS DIGEST.

A Contented Board Of Directors

BY WILLIAM W. PRATT

Executive Director of the Pennsylvania Credit Union League

The other day we received a report on a credit union where the Board of Directors were somewhat contented with their operations and thought they were doing the kind of job their credit union was organized to do.

The loan limit on a member's signature was only \$100 or not more than \$100 plus two weeks' salary; whereas the majority of the credit unions lend up to \$300 on a member's signature. (Many members could get \$300 from the Bank or Finance Co.)

Their loans were made for 12 or 15 month regardless of the two years allowed under credit union law, or the borrower's ability to repay in a lesser period of time.

Repulsive to Aggressive Action

They were reluctant to advertise their services or make loans for consumer goods purchases, such as radios, washers, refrigerators, fur coats, etc., even though their members would pay 12 to 40 percent interest rates on installment purchases elsewhere.

Although they had sufficient funds they refrained from making auto loans, although they could offer the best auto purchase plan, plus insurance contract available.

Their average loan per member was \$80, whereas the average credit union loan is over \$130.

Their outstanding loan balance was about 25 per cent of shares, although other credit unions have 50 to 120 per cent of shares in loans.

Mentally Involved—Little Help

They had varied interest rates, such as 1/2 of 1 per cent on loans over a certain sum, and a lower rate on new cars. While the basic principle of a credit union is equality they were making small borrowers, generally those persons who have real financial problems and less ability to pay, pay a penalty in higher interest costs.

They had some investments, also a lot of cash in the bank. This should have been invested to produce income.

Because of their restricted loan policies they had a restriction on share deposits of \$25 a month, regardless of the fact that their credit union was organized to promote thrift.

The average share savings per member was less than \$70, whereas the National average is over \$110 per member.

Although their income volume was down they had been endeavouring to pay high dividends, resulting in curtailment of other services.

Expenses Not Business-Like

The treasurer's salary was very low, in fact he was being paid an hourly average rate for the time required, which was far below a reasonable wage.

They did not insure their loan balances to protect their members, members' estate and family, co-makers, or the assets of the credit union; regardless of the unfortunate experience of several deaths; and knowing the cost of insurance while paid out of income is actually paid by the borrowers from the interest they pay. As the bank was insuring loans they wondered why they were losing some loan business.

Their bond on the treasurer was inadequate in relation to cash on hand and regulatory requirements.

They had never given the Directors and Committee members a dinner at the expense of the credit union which would be a meager return for the many hours of work they contributed.

Their operating hours where a handicap to the members who were forced to wait a week for a loan check, while the nearby bank and finance company were giving 24 hour service.

They were never represented at the local Chapter of Credit Unions to exchange ideas and experiences which would be helpful to them and others.

They had not given much thought to the value of organization which made their credit union possible, improved the law, operating procedures and defended their credit union in every respect.

No Real Willingness

They wanted to do all the work, and hold all meetings, on the bosses' time and even thought he should help them collect delinquent loans.

They had poor attendance records at Annual Meetings as they did not plan big, or for a good program.

They were not members of the League, thereby contributing to the welfare, defense and expansion of the credit union movement.

What do you think about this credit union?

How do your policies and operations check up?

We hope that none of these unfavorable conditions exist in your credit union. If any of them present a problem, we would be pleased to offer our assistance, as your League Office is always ready to help every credit union.

The Hungry Children

ONLY ONE CHILD out of every twelve hungry children in Poland is receiving nourishment provided by the International Children's Emergency Fund. Latest reports from ICEF specialists in Europe show that only a pitifully small number of those in need are being reached. In many places a doctor's certificate is necessary before the child, or mother, is eligible for even the little food the fund has to offer. It is a situation difficult to comprehend but there it is.

The Fund is being financed by contributions obtained from governments, voluntary agencies, and individuals. Congress authorized \$40,000,000 as the American contribution.

In the United States the effort to get voluntary contributions equal to one day's pay from every person is being made through the American Overseas Aid-United Nations Appeal for Children (AOA).

If you do not know the local AOA agency in your community, you may send your contribution through the Cooperative League of the U.S.A., 23 West 45th Street, New York 19, New York.

1947 Bound Volume of THE BRIDGE

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April, 1948

19

Pass the Story On

Thru New Pamphlet "Credit Unions"

IN 1912 President William Howard Taft wrote all governors: "A very good law has been enacted by the State of Massachusetts allowing the incorporation of credit unions which should furnish an example to all other states. Their establishment is generally a matter of state legislation and encouragement, their organization and management wonderfully simple as the European experience shows, and their success is practically inevitable when the environment is congenial and where proper laws are passed for their conduct."

This historic statement, typical of many before and since, by outstanding leaders in every phase of our society, kicks off one of the most effective credit union publications to come to our attention. This is the pamphlet "Credit Unions," which Fabian Monroe, managing director of the Wisconsin Credit Union League, wrote for use in Wisconsin but which has since been revised and published by Cuna Supply Cooperative for movement-wide use.

This pamphlet with its pointed and authoritative presentation of credit union history, philosophy and operation—along with a selection of classic credit union quotations, distributed through the pages—gives us a new ally in our work. We can hand it to a neighbor, minister, employer, or teacher and gain additional prestige for our idea and its presentation.

The contents cover in brief sections:

1. What credit unions are and do
2. When credit unions began
3. Who may join a credit union
4. How one joins a credit union
5. How credit unions promote thrift
6. How credit unions provide credit
7. How credit union shares are purchased
8. How many shares a member may own
9. How large each deposit may be
10. How savings are withdrawn
11. How credit unions serve children
12. How new employees are introduced
13. Who runs the credit union
14. How members exercise control
15. How public interest is recognized
16. How leagues and Cuna help
17. How funds are held
18. How funds are disbursed
19. How earnings are distributed
20. How losses are charged
21. How government supervision helps
22. How management cooperates
23. How management participates
24. How members receive maximum service.

The price is 10 cents each, less 20 per cent to league members in the United States. Special imprints may be added for the following prices: 100, \$1.90; 250, \$2.25; 500, \$2.75; and 1,000, \$3.75.

It's Safe

Two partners took a day off to shoot a round of golf. On the third tee, one partner suddenly exclaimed, "My gosh! I think I forgot to lock the cash box."

"So what?" asked the other. "We're both here, ain't we?"

Statement of Policy

By the Veterans Administration

January 15, 1948

DEAR MR. DOIG:

Recently there was published by this agency, as part of Chapter 23, Part I of its "Manual on Personnel Administration" a statement of policy with respect to credit unions. This statement is quoted for your information.

"a. Employees who are interested in organizing and operating credit unions will be encouraged to do so. These associations may be chartered either under the state law or under the Federal Credit Union Act, as amended, which is administered by the Federal Deposit Insurance Corporation. Advice and assistance with respect to the organization and operation of credit unions may be secured either from the appropriate state agency or from a field office of the Federal Deposit Insurance Corporation.

"b. In accordance with the provisions of the Federal Credit Union Act, as amended, offices and stations may allot space for the transaction of credit union business. In addition, credit unions may be permitted (1) to transact business during working hours, provided there is no interference with the performance of the employees' official duties, (2) to publicize their activities through use of bulletin boards and by circularizing individual employees, (3) to make incidental use of office equipment, and (4) to exercise such other privileges as will not entail any expense to the Government nor disruption of the official activities of the office or station."

You may wish to invite to the attention of your field representative the policy quoted. It is regretted that we are unable to supply you with sufficient copies of the publication in which the statement appears to permit distribution of that publication to all who may be concerned with it in the Credit Union National Association.

You may be interested also in the attached copy of a letter which was sent to all Deputy Administrators of this agency. These officials are responsible for the administration of veterans' affairs in field areas with headquarters respectively in Boston,

New York, Philadelphia, Richmond, Atlanta, Columbus, Chicago, St. Paul, St. Louis, Dallas, Seattle, San Francisco and Denver.

We are very much appreciative of the assistance which has been provided by field representatives of your group to Veterans Administration personnel who have been concerned with the operation of credit unions.—(signed) G. H. Sweet, Assistant Administrator for Personnel.

TO: DEPUTY ADMINISTRATORS

ALL VA BRANCH OFFICES

SUBJ: CREDIT UNIONS

1. In 1934 the Congress established the Federal Credit Union System "to make more available to people of small means credit for provident purposes." That the credit union plan met a real need is evidenced by the fact that there were 59 federal credit unions in VA stations with charters outstanding as of December 31, 1946. You may be interested to learn that loans totaling \$6,400,504 had been made by these 59 groups up to the end of 1946. In addition, there are state-chartered credit unions in many VA stations the exact number of which is not indicated by information at hand. Altogether the record of VA credit union organization and growth is an impressive one.

2. The policy of the VA with regard to these associations has been stated in paragraph 23.12 of the recently published Chapter 23, Part I, M5-2, "Manual for Personnel Administration." It will be noted from this statement that "employees who are interested in organizing and operating credit unions will be encouraged to do so." Your cooperation in effectuating this policy will be appreciated. Both the Credit Union National Association (representing the state chartered associations) and the Federal Deposit Insurance Corporation (representing federally chartered credit unions) have reported to this Office that some difficulties have been encountered in a few VA stations. It is hoped that your assistance in publicizing the policy to which reference was made may help overcome such difficulties.

3. The pinch of rising living costs of VA employees, many of whom occupy positions in the lower salary level, makes the availability of low interest rate credit facilities of special and current desirability. It is not, of course, intended to suggest that management take positive leadership in promoting the organization of credit unions where none exists but merely to assure that the attempts of employee groups to establish and operate such associations be facilitated by management.—(signed) G. H. Sweet, Assistant Administrator for Personnel. (Veterans Administration.)

1848-1948

**CREDIT UNION
CENTENNIAL**

100 YEARS

— OF —

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ACHIEVEMENT**

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Read credit union history and philosophy
by examining Director of
Credit Union National Association

*The
credit union's
proper place in history*

Upon the sound foundation we have inherited we can build a credit
union movement which will mean much to us and to many people



by Thomas W. Doig

1848-1948 — 100 Years of Credit Union Achievement

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April, 1948

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This Day In Paradise

(Continued from page 3)

most satisfying thing I can do is to help the people I work with, to render some little service to mankind."

"Chan, I don't think there could be a better explanation of what makes you tick as a credit union worker. Do you suppose all credit union workers feel the same way?"

"I don't know whether they realize it or not, but I believe if they have been at it long, they are probably inspired by the same thing. It's a great feeling to send a credit union member from your office lighthearted, free from financial worries, when they have come in burdened with what seems to them to be insurmountable problems."

"I think I see what you mean, Chan. After your explanation, I believe when a credit union worker reaches those pearly gates, old St. Peter will have a soft spot in his heart for him."

The suggestion of a smile flicked at the corner of Chan's mouth. "I hope you are right, Joe."

Credit Union Blood Bank

THE HAMILTON Dominion Civil Servants' Credit Union Ltd. discovered a strain on some of its members where blood transfusions were necessary.

Arrangements were made with the local hospitals to establish a "Bank" of blood by voluntary donations from members of our group in anticipation of subsequent needs.

When they are notified that a Dominion Civil Servant (or a member of his family) requires transfusions, they authorize a draw on the Blood Bank in his or her favor and then arrange for replacement by appealing for donors.

The appeal for donors is generally localized by an approach to the employees of the Department where the patient is employed, unless it is a small-staffed department when a general appeal is made.

Membership in the Credit Union is not a requisite and it is likely that non-members equal members who have received these benefits.

In the past two years, many transfusions have been given which have in turn helped lighten the economic load of those directly concerned and has encouraged a feeling of closer association in our local Civil Service family. Unfortunately, our records are not quite complete for the whole period, but we know we have arranged for at least 64 donations.

Dangerous Trends

"THE LEADERS of the credit unions in Canada at the present time are following three dangerous trends," said Gordon Smith, Canadian Manager of the Credit Union National Association, at a large meeting of the Calgary Chapter this evening.

Mr. Smith cited as the three dangers: (1) the reduction of interest rates below the one per cent per month on unpaid balances; (2) the poor payment of Treasurers; (3) a tightening of the conditions for loans.

Reduction of Interest Rates

Striking out at the practice of reducing interest rates, which is becoming ever more prevalent, Mr. Smith said that the first duty of a credit union was to provide loans at a reasonable rate, but also to provide other services, to see that the credit unions were protected by a strong provincial and national body, and to provide proper education for the members. These fundamentals become impossible when the whole attention of the board of directors is centered on scraping sufficient surplus together to pay a small dividend.

Poorly Paid Treasurers

The lack of a proper surplus is giving rise to treasurers being very poorly paid for the time, effort, and skill which they expend in their credit union work. This lack of surplus is commonly due to cutting the one per cent per month interest rate and paying high dividends. We should correct these practices and pay a fair return for the treasurers' work, enthusiasm and perseverance. We should encourage the amount of service to be rendered and the growth of the credit union.

Character Versus Security

A third great danger is developing in the increased demand for material security for loans. A credit union lends money on character and not on material things. Credit unions are now asking for co-signers on \$50.00 loans. In the earlier years such a demand was unheard. What is the profit to a credit union to have \$80,000.00 in non-working capital, while its members are borrowing on chattel mortgages from finance companies? Mr. Smith stated that such was an actual case in Manitoba. Reserve Funds were never intended to lie in state in some bank, while the officers of the credit union denied the members the opportunities which were rightly theirs. "No credit union has given all the service it could if it has never written off a bad loan," was Mr. Smith's opinion.—*From THE BUGLE, official publication of the Credit Union League of Alberta.*

Collection Policies

MANY CREDIT UNION officials have come to the conclusion that it is not the lending policy but the collection policy which determines the degree of delinquent loans in any credit union. Experience over a period of twenty years indicates that loans may be authorized for credit union members in almost any amount within their ability to repay, provided that the purpose is considered worthy and the member is sincere.

Bad delinquent situations develop from a lack of follow-up on the part of the officials responsible for the collection of loans. This situation is cleared almost immediately when a change in this policy is made. The credit union with a poor collection policy which permits members to become delinquent in their obligations to the credit union actually does such members a disfavor by permitting them to become delinquent without notification and follow-up of such delinquency.

Someone once said, "Be liberal in your lending policy, but strict in your collection policy." This well can be one of the mottos adopted by the individual credit union, but let's add to it, "if the member is delinquent and there is a reason, work it out for him."—B. C. CREDIT UNIONIST, Vancouver, British Columbia.

\$31,000 the First Day

THE REM CREDIT UNION in Philadelphia, Pennsylvania received \$31,000 in shares and made \$8,000 in loans on the first day of its operation. The credit union serves the employees of Mack Transportation Company.

Can You Top This?

DURING THE PAST FIVE YEARS, the Philadelphia Chapter Federal Credit Union had a larger amount in loans than in shares. It never placed a restriction on savings. Savings increased each year (70% in 1946 and 60% in 1947). Loan Volume increased each year 66% in 1946 and 46% in 1947) and no limits were imposed other than by law. Income has increased each year, (40% in 1946 and 66% in 1947). The credit union is entirely self-supporting (no subsidy) and yet provides Loan Protection Insurance, Life Savings Insurance. It is a member of the Pennsylvania Credit Union League and Cuna, and has paid such dues on January first for the past five years. It has paid a 3% dividend.

You Do Not Need To Face An Emergency Like This Alone

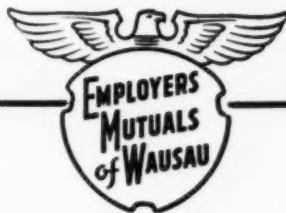


Credit Unions grew out of emergency needs. It has provided a way to apply group action to an individual problem.

The CUNA Automobile Insurance Program Offers:

- Better Protection** thru coverage availability and assurance of claims payments.
- Counsel** from a credit union insurance advisor selected by the credit union to work in the best interests of the member.
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- One Stop Service** to reduce confusion, delay, inconvenience, and unwary use of high rate credit.

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